

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO**

In re:

ROMAN CATHOLIC CHURCH OF THE
ARCHDIOCESE OF SANTA FE, a New Mexico
corporation sole,

Debtor-in-Possession.

Chapter 11

Case No. 18-13027-t11

**FIRST INTERIM FEE APPLICATION OF ELSAESSER ANDERSON CHTD.
BANKRUPTCY COUNSEL FOR THE DEBTOR-IN-POSSESSION**

Elsaesser Anderson Chtd. (Applicant), bankruptcy counsel for the Roman Catholic Church of the Archdiocese of Santa Fe, Debtor herein, submits this application for allowance and payment of attorneys' fees and costs pursuant to 11 U.S.C. §§ 330, 331 and 503, for services performed during the period from December 3, 2018 through June 30, 2019 (Application Period), and to authorize the Debtor to pay the unpaid balance of approved compensation.

I. NARRATIVE

- A. This case was commenced on the 3rd of December, 2018, when Debtor filed a petition under Chapter 11 of the Bankruptcy Code.
- B. Debtor filed an Application to Employ Elsaesser Anderson Chtd. as Bankruptcy Counsel for the Debtor-in-Possession (Docket #18) and Verified Disclosure of Bruce A. Anderson (Docket # 19) in this case on December 3, 2018.
- C. An Order approving employment of Applicant was entered by the Court at Docket #63 on January 7, 2019.
- D. Services in this case commenced on December 3, 2018. Applicant is now seeking interim compensation pursuant to 11 U.S.C. 327, 330, 331 and 503(b).

E. The terms and conditions of employment and compensation including all payments made or promised to be made are as follows:

1. On the Petition Date Elsaesser Anderson held \$8,765.24 in trust. Elsaesser Anderson is not owed any amount by the Debtor for prepetition services.
2. Debtor agreed to pay Applicant hourly rates for all services rendered in connection with this case. Attorneys' billing rates for professional services are as follows:

Name	Position	Hourly Rate
Ford Elsaesser	Attorney	\$375.00
Bruce A. Anderson	Attorney	\$350.00
Katie Elsaesser	Attorney	\$225.00
Staff	Paralegal	\$75.00

3. The source of all payments made to the applicant thus far is the Debtor-in-Possession. No cap or limitation has been placed on the applicant's representation herein.
4. Applicant charges non-bankruptcy clients comparable rates for similar services.

F. Amount of fees and costs for the First Application Period, Elsaesser Anderson seeks approval and allowance of compensation for services rendered by Elsaesser Anderson Chtd. as bankruptcy counsel to the Debtor, plus cost in the amount of \$247,395.38, consisting of \$244,388.75 for professional fees, and \$3,006.63 in costs. The billing rates, number of hours charged for each attorney and assistant are as follows:

Name	Position	Hourly Rate	Total Time	Amt. Requested
Bruce A. Anderson	Attorney	\$350.00	343.00	\$120,050.00
Bruce A. Anderson	Attorney(travel)	\$175.000	15.00	\$2,625.00
Bruce A. Anderson	Attorney	\$0.00	25.10	\$ 0.00
Ford Elsaesser	Attorney	\$375.00	307.40	\$115,275.00
Ford Elsaesser	Attorney	\$187.50	30.5	\$5,718.75
Katie Elsaesser	Attorney	\$225.00	3.20	\$ 720.00
Total Fees				\$244,388.75
Total Expenses				\$3,006.63
Total Requested				\$247,395.38

G. Summarized below are, total fees and costs charged to the Debtor, and payments Elsaesser Anderson has received as of the date of the filing of this application:

Date Billed	Month Services Rendered	Fees	Costs	Total Billed	Payments	Unpaid Balance
12/31/18	12/2018	\$49,160.00	\$1,161.89	\$50,321.89	\$38,031.89	\$12,290.00
2/13/19	01/2019	\$53,158.75	\$1,529.99	\$54,688.74	\$41,399.05	\$13,289.69
3/15/19	02/2019	\$36,407.50	\$127.35	\$36,534.85	\$27,432.98	\$9,101.87
4/17/19	03/2019	\$23,837.50	\$91.40	\$23,928.90	\$17,969.53	\$5,959.37
5/20/19	04/2019	\$29,552.50	\$96.00	\$29,648.50	\$22,260.38	\$7,388.12
6/12/19	05/2019	\$16,725.00	\$0.00	\$16,725.00	\$12,543.75	\$4,181.25
7/26/19	06/2019	\$35,547.50	\$0.00	\$35,547.50	\$26,660.63	\$8,886.87
		\$244,388.75	\$3,006.63	\$247,395.38	\$186,298.21	\$61,097.17

H. Attached as Exhibit A – Billing Statements, are complete monthly time records detailing each service performed by date, description, and the number of hours expended, under the appropriate project categories, for which compensation is requested, and a complete accounting for all costs incurred for which reimbursement is requested.. The Billing Statements itemize all charges for professional services, reimbursable costs and expenses. Attached as Exhibit B – Project Category Summary, are the fees charged to the Debtor during the First Application Period, summarized by Project Category.

I. The amount of costs was computed utilizing the following methods of allocation:

Copies are charged at the rate of \$.10 each; postage, long distance calls, airfare and hotel are charged at actual cost; and mileage is charged at federal allowed per mile rate (\$0.545/mile).

J. Applicant certifies that none of the compensation or reimbursement for costs applied for in this application will be shared with any entity in violation of 11 U.S.C. § 504.

K. This is the first interim application for compensation and there are no previous orders signed or approved fees and expenses remaining unpaid.

L. This application has not been filed less than 120 day after the order for relief or after a prior application to the Court.

II. CASE STATUS. ONLY FOR DEBTOR'S ATTORNEY APPLICATIONS.

M. The debtor is current in payment of ordinary operating expenses and any allowed administrative expenses, any quarterly fees have been or will be paid as required to the United States Trustee, and all monthly operating reports are being timely filed.

N. Current Status: The case was commenced on December 3, 2018. The time fixed by the Court for filing proofs of claim was set to June 17, 2019, and three hundred seventy-four (374) abuse claims have been filed. The Debtor and the Unsecured Creditors Committee have completed negotiations on the selection of a mediator, and are hoping to schedule mediation for the middle of November, 2019. It is anticipated that a stipulated motion to appoint a mediator will be placed before the Court for approval shortly. The mediation, if successful, will result in the filing of a Plan and Disclosure Statement reflecting settlements with the Unsecured Creditors Committee, plaintiffs, and insurance carriers. No plan or disclosure statement has yet been filed in this case. The period in which the debtor has the exclusive right to file a plan is currently set to end on August 3, 2019, however a second motion to extend exclusivity to file a Plan to December 3, 2019 has been filed on August 2, 2019.

O. Tony Salgado, Executive Director of Finance, on behalf of Debtor-in-Possession, has been given the opportunity to review this application and approves the requested amount.

P. Counsel will supplement this application if there are any changes in the status of the case before the period to object is over.

III. PROJECT SUMMARY.

Compensation and reimbursement are being sought for the following:

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ASSET ANALYSIS AND RECOVERY:

Time in this category was spent responding to inquiries of the U.S. Trustee's office regarding assets of the estate; analyzing real property and leases for future actions; analyzing severely depreciating real property to determine if repairs needed to be commenced immediately or in the future; and review of assets for purposes of amendments to schedules.

ASSET DISPOSITION:

A minor amount of time was spent in this category analyzing assets that are to be sold or disposed of, generally real property.

CASE ADMINISTRATION:

Time in this category has been in assisting Debtor in preparation for the Initial Debtor Interview, assisting Debtor with Chapter 11 Guidelines and requirements, amending schedules and the Statement of Financial Affairs, filing of Monthly Operating Reports, and working with Debtor on preparation of financial statements for Monthly Operating Reports. Additional time was spent on weekly conference calls with the Team regarding the status of the case and various ongoing matters; responding to U.S. Trustee office inquiries; and providing general advice to the Debtor.

CLAIMS ADMINISTRATION:

Time was spent analyzing proofs of claims, and responding to creditor inquiries. Time was also spent responding to inquiry from confidential abuse claimants, providing confidential sealed claim information to the Court and to others on the permitted party confidentiality list; drafting filing and servicing, noticing and implementing a complex bar date motion and insuring that all dates were complied with, and coordination with insurance carriers as require regarding claims matters.

EMPLOYMENT AND FEE APPLICATIONS:

Time in this category includes work and expenses related to preparing employment applications for employment of Elsaesser Anderson Chtd. and special insurance counsel Blank Rome, LLP; the first interim compensation application for King Industries Corporation, accountants for Debtor; and other employment and fee application matters. No objections to fees or employment applications have been filed.

FINANCING:

Time in this category included negotiating a cash management order; negotiating with Bank of America an adequate protection/cash collateral agreement; work regarding workers' compensation insurance program matters related to bank bonding; and work regarding motion to assume executory contract regarding workers' compensation program.

10 - LITIGATION:

Time spent in this category included preparing for and responding to two adversary proceeding; reviewing state court matters to determine whether there are co-defendants; reviewing document requests by counsel for abuse claimants that are not part of the Committee; and review of non-abuse claims in bankruptcy case.

10-1 INSURANCE MATTERS:

Time spent in this category included dealing with counsel for insurance carriers, providing permitted party confidentiality agreements so that they would have access to proofs of claim; working with special insurance counsel on reviewing insurance availability; periodic calls with insurance counsel for updates on claims and insurance availability; and communications with outside insurance counsel.

10-2 PARISHES:

Time spent in this category included communications with parishes and schools outside counsel regarding overlapping discovery requests and how to respond; sharing documents as needed with outside counsel for parishes and schools; and keeping parish counsel advised of matters that may affect parishes, in addition to the Debtor.

10-3 MEDIATION:

Extensive time was spent in this category including interviewing several potential mediators, coordinating with counsel for the Committee; and final selection of a mediator, whose selection will be placed before the Court for an Order of Approval.

11 - MEETING OF CREDITORS:

Time spent in this category included periodic conferences with counsel for the Committee; responding to the Committee informal document requests which were several; responding to the Committee inquiries on various matters as they came up; working with the Committee on creating substantial Confidentiality Agreement; working with the Committee regarding non-monetary commitments; all communications with the the Committee regarding turnover of insurance documents, discovery documents, and other documents, which process is ongoing; and generally being responsive on an as needed basis to various inquiry of the Committee counsel.

12 - PLAN AND DISCLOSURE STATEMENT:

Time spent in this category included preparation and filing of a motion to extend the exclusivity period, reviewing of Plan provisions for non-monetary commitments that will be added in the future; and generally working with Debtor to form the parameters of a Plan of Reorganization.

13. RELIEF FROM STAY:

Time spent in this category included responding to a motion for relief from stay filed by one of the adversary proceeding counsel; analyzing potential stay violations; and reviewing of law suits potentially filed in violation of the stay.

IV. RESULTS ACHIEVED AND BENEFIT TO THE ESTATE.

During the First Application Period, Elsaesser Anderson has provided benefits to the estate by way of preparing and amending the bankruptcy petition and schedules to be open and transparent, and providing complete financial information to the U.S. Trustee's office, the Committee and other creditors in this case. Elsaesser Anderson has assisted the Debtor to the benefit of the estate by providing transparent Monthly Operating Reports which set forth true and accurate financial information of the Debtor. Elsaesser Anderson has coordinated communications with the Committee and has maintained a good working relationship by providing financial information as requested, and responding to voluminous discovery requests. Elsaesser Anderson has, with all counsel, assisted the Court in setting a bar date, begun detailed analysis of abuse claims, and coordinated with insurance counsel and carriers' counsel on matters involving abuse claims and the estate. Elsaesser Anderson has worked with the Committee in coordinating with potential mediators, resulting in the selection of a mediator for which counsel will seek Court approval. All events have been timely with little or no dispute with the Committee, and the case is proceeding on a course that will likely result in a consensual Plan of Reorganization which will provide through a financial settlement and with non-monetary commitments, the needed healing to the abuse claimants.

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WHEREFORE, applicant prays that this Court enter an Order:

1. Approving reasonable professional fees in the amount of \$244,388.75 and reimbursement of costs and expenses in the amount of \$3,006.63, and allow payment of same.
2. Authorizing applicant to apply funds in trust (\$8,765.21) to the unpaid balance; and
3. Authorizing the Debtor to pay the unpaid fees and expenses as allowed by the Court for the Application period.

RESPECTFULLY SUBMITTED this 19th day of August, 2019.

/s/ Bruce A. Anderson

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-and-

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Counsel for Debtor-in-Possession

CERTIFICATE OF SERVICE

I hereby certify that, on August 19, 2019, in accordance with NM LBR 9036-1 and Fed. R. Civ. P. 5(b)(3), a true copy of the foregoing was served via the Court's CM/ECF notification facilities to those parties who are registered CM/ECF participants in this case.

/s/ Bruce A. Anderson

Bruce A. Anderson